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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Germany

DATE:

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SUBJECT Soviet Propaganda Instructions to SED Leaders
Concerning Unification of Germany

INFO.

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PAGES 2

SUPPLEMENT

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ORIGIN

SOURCE

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1. Before leaving on their recent trip to western Germany, Pieck and Grotewohl talked with General Georgiev and General Mokarov, SMA Political Division. Gniffle and Dahlem were also present.
2. The Russians instructed the SED chiefs to hammer away on the theme of "German Unity". They gave the following reasons: Industry in the Russian Zone is faced with a desperate lack of raw materials, which is bound to lower production below the level in the western zones. The Russian Zone is not viable without raw materials from western Germany. The SED must realize that Russia cannot supply these materials. Attempts to get industrial coal from Poland and Czechoslovakia have failed because the latter are looking for foreign exchange. The ore received from Sweden by barter arrangements is completely insufficient for the iron and steel industry in the Russian Zone. The present policy of temporary expedients cannot be continued much longer. Soon there will be serious interruptions of production, plants will be forced to close, bankruptcy will follow, and the Russian and SED policy will be completely discredited. Source adds that the Russians stated that the bi-zonal merger might result in the complete paralysis of industry in the Russian Zone, since western Germany might be completely separated from the Russian Zone, both economically and politically.
3. For the above reasons, the Russians continued, a union of all the zones is an immediate necessity. In the event of union, they recognize dangers for themselves in the capitalistic structure of industry in the west. To meet this, the SED must somehow bring about socialization in the west. The SMA will give its fullest support to such efforts. One method is the establishment of "socialist cooperatives" and, eventually, of the SED throughout Germany. In addition, all actions of the occupying powers in the west must be attacked as "undemocratic intervention". The Russians anticipate that some support will be gained from Social Democrats in the west.

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4. The Russians told the SED to stress "German Unity" as the alpha and omega of all its propaganda. The Russians assumed that the population in the western zones is against federalism and separatism and will rally behind the banner of "German Unity". The SED is to use its skill to couple to this motto another, "Unity of the New Economy", which will be used to popularize socialization of industry.
5. The SED leaders raised two questions: a) How can the SED advocate separating the economy of the western zones from the politics of the western Allies without having embarrassing references made to the connection between the Russian Zone's economy and Russia? b) How can the other parties be handled in this campaign?
6. The Russian answer was that the CDU and LDP in the Russian Zone can be forced to protest against conditions in the west. It can be shown that Germany is being torn into two parts by the present policy, which will be blamed on the west; all nationalistic elements can be used to combat the western Allies on this basis.

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